

**Memorandum of Understanding
On Policy Principles For**

**Woody Biomass Utilization for Restoration and Fuel Treatments
On Forests, Woodlands, and Rangelands**

**United States Department of Agriculture
And
United States Department of Energy
And
United States Department of the Interior**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is hereby entered into by and among the United States Department of Agriculture, the United States Department of Energy, and the United States Department of the Interior.

***Preamble:** The Secretaries support the utilization of woody biomass by-products from restoration and fuels treatment projects wherever ecologically and economically appropriate and in accordance with the law.*

A. PURPOSE:

The purpose of this MOU is to demonstrate a commitment to develop and apply consistent and complementary policies and procedures across three Federal departments to encourage utilization of woody biomass by-products that result from forest, woodland, and rangeland restoration and fuel treatments when ecologically, economically, and legally appropriate, and consistent with locally developed land management plans, by:

- Communicating to our employees and partners that the harvest and utilization of woody biomass by-products can be an effective restoration and hazardous fuel reduction tool that delivers economic and environmental benefits and efficiencies;
- Promoting consideration of woody biomass utilization from restoration and fuels treatment instead of burning or other on-site disposal methods; and
- Encouraging development of new mechanisms that increase the benefits and efficiencies of woody biomass utilization.

This MOU is intended to maximize the coordination and effectiveness of the Departments of the Interior (DOI), Agriculture (USDA), and Energy (DOE) in furthering the purposes set forth in this MOU.

In addition, public assistance and grants programs administered by these three departments have positive benefits in capacity-building for woody biomass utilization in local communities, industries, and on private lands. Energy is a key market for low-value woody biomass, and DOE and USDA fund, support, and/or conduct a major share of the research concerning biomass energy alternatives.

Within the Federal family, these three departments profoundly affect whether and how woody biomass utilization is employed as a tool for forest, woodland, and rangeland restoration and fuels treatment. The development and implementation of consistent and complementary policies and procedures can help maximize Federal efficiency and effectiveness of woody biomass utilization.

Woody biomass utilization can help reduce or offset the cost and increase the quality of the restoration or hazardous fuel reduction treatments. Woody biomass utilization can also have additional value in that it may result in more diverse forest ecosystems, characterized by native flora and fauna, healthy watersheds, better air quality, improved scenic qualities, more fire-resilient landscapes, and reduced wildfire threats to communities, and may provide an alternative waste management strategy.

C. POLICY PRINCIPLES

DOI, DOE and USDA will use their statutory authorities to support the Principles listed below, as appropriate:

1) Include local communities, interested parties, and the general public in the formulation and consideration of woody biomass utilization strategies.

Examples:

- Communications that further the understanding that the implementation of the President's Healthy Forests Initiative and National Fire Plan go beyond Federal boundaries and affect local communities.
- Collaborative partnerships and public involvement programs and projects that provide value and enhance the economics, successes, and opportunities of utilizing woody biomass.
- Efforts to share knowledge and technology with community leaders, business owners, and private forest landowners.

5) Encourage the sustainable development and stabilization of woody biomass utilization markets.

Examples:

- Promote renewable energy marketing strategies to stimulate investments in woody biomass utilization.
- Support efforts to allow retail electric power customers an option to pay an appropriate premium to purchase electricity generated from woody biomass resulting from restoration or hazardous fuels treatments.
- Encourage the production and marketing of electric energy generated from woody biomass resulting from restoration or hazardous fuels treatment.
- Inform the public of available Federal financial assistance to encourage the utilization of woody biomass from restoration and hazardous fuels treatments.
- Explore biomass transportation cost subsidies from the forest to point of use, where doing so saves or avoids higher costs of treatments or fire-fighting in the future.
- Promote new utilization technologies and technology transfer, research, and development of bio-ethanol and other bio-based products.

6) Support Indian Tribes, as appropriate, in the development and establishment of woody biomass utilization within Tribal communities as a means of creating jobs, establishing infrastructure, and supporting new economic opportunities.

Examples:

- Encourage the use of guaranteed or insured loans under the Indian Financing Act, 25 USC §1451 et seq., to the extent permissible under existing law, including a possible set-aside for pilot projects that support development of woody biomass generation utilizing hazardous fuels and by-products of forest health treatments.
- Use the Buy Indian Act, 25 USC §47, to the extent permissible by law, in the purchase or procurement of woody biomass products resulting from Indian labor or industry.
- Provide technical and policy assistance to Tribal governments for the establishment of woody biomass programs.
- Assess extent of woody biomass fuels on Indian lands.

7) Explore opportunities to provide a reliable, sustainable supply of woody biomass.

Examples:

- Investigate the feasibility of long-term or renewable contracts for removal of woody biomass from Federal lands.
- Explore expanded use of contracting authorities and mechanisms for hazardous fuel reduction or restoration treatments on public lands.
- Expedite, as appropriate, environmental analysis and review for priority restoration and hazardous fuel reduction sites in Federal forests, woodlands, and rangelands.

7) **MODIFICATION**. The Principles in this MOU are subject to relevant law, as it may be amended from time to time. Additionally, the parties may modify this MOU at any time by a written amendment executed by all parties.

8) **COMPLETION DATE**. This MOU is executed and made effective as of the last date shown below and shall expire ten years after such date.

THE PARTIES HERETO have executed this MOU.

/s/ Gale A. Norton
Gale A. Norton
Secretary of the Interior

June 18, 2003
Date

/s/ Spencer Abraham
Spencer Abraham
Secretary of Energy

June 17, 2003
Date

/s/ Ann M. Veneman
Ann M. Veneman
Secretary of Agriculture

June 16, 2003
Date